

HUMBERSIDE POLICE AND CRIME PANEL

DATE	29 November 2022
REPORT OF	Chief Finance Officer, Office of the Police and Crime Commissioner (OPCC)
SUBJECT	Finance Update
STATUS	Open

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide the Police and Crime Panel with an update on the latest position in relation to the savings plan and an update on the mid-year financial position of the OPCC Group.

2. RECOMMENDATIONS

- 2.1 It is recommended that Members of the Police and Crime Panel use this report as background information to support in oversight of the work of the PCC.

3. MEDIUM TERM RESOURCE STRATEGY (MTRS)

- 3.1 As part of the PCC's MTRS, the Chief Constable is required to achieve a level of efficiency saving each financial year. The current MTRS for 2022/23 to 2026/27 has the following profile of savings to be achieved over the medium-term:

Year	2022/23	2023/24	2024/25	2025/26	2026/27
Savings requirement (£M)	1.500	1.500	1.500	1.500	1.500

- 3.2 In order to sustain the investment in policing and to continue to support local policing services in the face of a challenging financial situation, efficiencies will be delivered wherever possible via the following initiatives:

- Corporate Programme of efficiency and continuous improvement reviews;
- Non-pay savings;
- Procurement savings through the continued use of national frameworks;
- Maximising income generation wherever possible.

4. SAVINGS 2022-23

- 4.1 The savings target for the current year 2022/23 is £1.500M and savings of £1.311M have been achieved to 30 September 2022. The majority of this has been achieved through corporate efficiency reviews, additional income and other non-pay savings.

5. MID-YEAR REVIEW 2022-23

- 5.1 The mid-year review of all non-pay budgets has now been completed and has identified in year non-pay pressures of £1.873M, overtime pressures of £0.899M and in year savings of £3.949M. The overall financial in year financial position is provided below:

	£000
In-year non-pay savings	(3,949)
In-year non-pay pressures	1,873
Overtime pressure	899
Forecast Underspend	(1.177)

- 5.2 The forecast underspend at the end of 22/23 is predicted to be £1.177M (0.5%) on a Group budget for the year of £218.964M.

6. UPDATED RESERVES POSITION

- 6.1 The anticipated level of reserves at the end of 2022/23 is £30.457M.
- 6.2 Reserves will come under significant pressure in the next 2 to 3 years as pay and non-pay inflation pressures feed through. For example the full-year effect of the 2022/23 pay award is (net of the grant from the Home Office) c.£3.2M, and there are further non-pay inflationary pressures with gas and electricity price increases alone of £2M. The impact of these changes will be included in the Medium Term Resource Strategy that will be presented to the Police and Crime Panel at the February 2023 meeting.

Kevin Wilson
Chief Finance Officer
Office of the Police and Crime Commissioner for Humberside